

MUNICIPAL YEAR 2014/2015 REPORT NO.

MEETING TITLE AND DATE:
Portfolio Key Decision KD 4009

REPORT OF:
Director of Schools & Children's
Services and
Director of Finance, Resources &
Customer Services

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Agenda – Part: 1	Item:
Subject: Award of contracts to deliver works to enable the provision of extra pupil places - Prince of Wales Primary School	
Wards: Enfield Lock	
Cabinet Members consulted: Cllr A Orhan, Cllr A Stafford	

1. EXECUTIVE SUMMARY

- 1.1 This report covers the next decision to implement the Strategy agreed in the Cabinet Reports of June 2013 and July 2014. Expenditure is required to cover detailed work by contractors on design, preparatory work such as surveys, enabling works and single storey modular accommodation as classroom linked to the main building; single storey extensions to the existing staff room, the existing dining room and remodelling of kitchen toilets area; refurbishment works to existing dining halls, lobbies and kitchen; creation of new store; and external works
- 1.2 In line with Contract Procedure Rules and decisions on the School Expansion Programme Procurement Strategy made by the Council's Strategic Procurement Board in November and December 2013, the Prince of Wales project was procured through a competitive tender process for a single design & build contract.
- 1.3 Portfolio Holders' approval is sought for contract award to J Murphy & Sons Ltd and scheme expenditure including pre-construction services, infrastructure works, supply of the modular building and other associated orders. This approval is required to enable works to maintain progress and deliver extra building capacity by September 2015 to support the provision of additional pupil places.
- 1.4 The scheme expenditure has been determined from tender returns and is within the allowance on the Council's Capital Programme for this scheme. Individual project costs and any required changes will be managed and reported through the quarterly SCS Capital Monitor updates to the Capital Programme.

2. RECOMMENDATIONS

That the Cabinet member for Education, Children's Services and Protection and the Cabinet Member for Finance approve the following:

- 2.1 Contract Award to J Murphy & Sons Ltd for a package of works totalling £1,443,900 to provide extra building capacity to support the provision of additional pupil places;
- 2.2 Total Scheme expenditure of £2,706,000, including the building works and £1,262,100 to cover identified client side costs, professional and technical fees, furniture and equipment, information and communication infrastructure, traffic mitigation and project contingency; and
- 2.3 That the Director of Schools and Children's Services allocates project contingency, via operational decisions, where required.

3. BACKGROUND

- 3.1 Enfield's population is projected to continue to rise and there is an increasing proportion of young people. This reflects changing patterns of migration, birth rates, comparative rents, the implications of housing benefits reform (displacement from Inner London) and numerous other factors. Each year the projected demand for school places, the existing capacity, progress on increasing capacity are reviewed and a report to Cabinet produced in the summer about the activity required to continue to meet the statutory responsibility to provide enough places to meet demand.
- 3.2 On 20th June 2012, Cabinet approved a revised Primary Strategy that will provide further additional school places from September 2013. This was subsequently updated in June 2013 and July 2014 with further details and requirements and formalised the School Expansion Programme (SEP) as the operational vehicle to deliver any additional school capacity required in a phased way.
- 3.3 The project at Prince of Wales school has been developed to provide the accommodation required by the School to permanently expand from 2FE to 3FE. The required works received planning consent in July 2014 and construction works are now required to deliver the project. It is imperative that contracts are in place by the 19 January 2015 to maintain progress against a challenging programme.

4. PROCUREMENT

- 4.1 In November 2013, Council's Strategic Procurement Board (SPB) agreed that construction procurement for the buildings would be via the Framework route from the current shortlist of:
 - Government Procurement Service (GPS) - Modular Buildings (now Crown Commercial Service – CCS)
 - Improvement and Efficiency Social Enterprise (IESE)
 - London Housing Consortium (LHC)
 - SMART East
 - Scape

- 4.2 SPB approved the recommendation that the SEP projects would be procured using the most appropriate Framework route. The final procurement decision would be delegated to the Senior Responsible Officer (the Director of Schools and Children's Services) in consultation with the School Expansion Programme Executive.

The Building Works Package

- 4.3 This scheme was originally progressed under the Scape Minor Works Framework but to achieve best value the procurement proceeded via a competitive tender for a single stage Design & Build Contract rather than the framework route.
- 4.4 Six contractors were shortlisted to tender, two nominated and the remainder were from Construction Line. Three contractors withdrew from tendering during the tender period. Tenders from three contractors were received which included two submissions from one of the contractors; one for traditional construction and one for modular based construction.
- 4.5 The submissions from the three tenderers have been assessed and the costs within previous cost estimates and are in line with current market conditions. On this basis, the preferred tenderer was recommended for acceptance having submitted the tender with the most competitive cost that meets our requirements in terms of timetable and specification and is considered to represent good value in the current market. A detailed tender report for this package is included with the Part 2 Report.
- 4.6 Assessment of the tenders showed there are no expected savings from traditional build and a retender for traditional construction may not have received a different result and would delay delivery of the works considerably, creating other associated risks and leading to the Council not being able to meet its statutory duty to provide school places.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Enfield Council has a statutory responsibility to provide enough school places to meet demand. The SEP has been established to provide the additional capacity and expertise to setup and deliver a number of construction projections in a timely fashion and to provide best value in the face of challenging delivery timescales. Not providing places cannot be considered an option.
- 5.2 The following proposals have been considered but rejected:
- Increasing class sizes to over 30 pupils. Current legislation stipulates that Key Stage 1 classes cannot exceed 30 pupils with only one qualified teacher. This does not apply to Key Stage 2. However, school accommodation does not normally allow for more than 30 pupils in one class base.
 - The use of community halls as emergency class bases. This option has been explored with a number of head teachers in relation to the development of the Partner School initiative. However, the revised strategy seeks to deliver a programme of permanent expansions with partner school only serving as temporary measures whilst permanent capacity is being planned and delivered.

- Not entering into contract for either of the works packages. This option has been discounted as the extra building capacity is required at Prince of Wales Primary school for September 2015 and the delay in re-tendering would make that impossible to achieve.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The Council has an overriding statutory duty to provide sufficient pupil places to meet anticipated demand. The strategy will deliver the additional places required in the areas of the highest demand over the short term, up to 2018. The expanded capacity aims to provide a higher level of flexibility built in to counter sudden increases in demand and provide an element of parental choice.
- 6.2 Evaluation of the tender returns and subsequent discussions with the selected contractor have reached a stage where we can enter into contract. The tender returns and scheme costs have been reviewed by the Council's Corporate Maintenance and Construction Team and recommended as representing good value given current market conditions. The tender reports are included in the Part 2 version of this report.

7. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

7.1 Financial Implications

7.1.1

SCHEME	Actual 12/13 & 13/14	14/15	15/16	Total
Prince of Wales	£000's	£000's	£000's	£000's
Approved Budget within SCS Capital Programme	156	690	2,725	3,571
Proposed Expenditure	114	622	1,970	2,706

7.1.2 The proposed expenditure will be funded as per the table below:

	Prince of Wales
	£000's
Expenditure	2,706
Funded By:-	
Government Capital Grants	
- Basic Need	2,706
Total	2,706

7.1.3 The change in the procurement route led to an abortive design with the costs for activity and reports that could not be utilised in the new scheme being abortive. Under capital accounting financial procedures these costs have to be accounted for as revenue. Therefore £154,688 of scheme costs incurred to date will now be funded from the Schools Revenue Budget, which has a provision set aside to fund some revenue school expansion costs. However

this will require a compensating adjustment in the revenue contribution from the Schools Budget to fund capital expenditure.

- 7.1.4 The proposed expenditure includes a contingency provision of £609k which has been calculated on the basis of a general 10% allocation plus an allowance for specific risks, which include possible asbestos removal works. These risks will be monitored and the contingency reduced as appropriate.
- 7.1.5 The change in the procurement process, even with the abortive costs represents better value for money than proceeding with the original procurement via Scape. This has resulted in a surplus provision of £710k which will be retained within the School Expansion Programme capital contingency to fund expenditure pressures which are arising on other school expansion schemes.

7.2 VAT Implications

The supply of statutory education by the Council is deemed to be a non-business for VAT; therefore the council is able to recover VAT incurred towards this supply under the provisions of S33 of VAT Act 1994 if it procures/contracts for the works, receives the supply, receives a VAT invoice in its name and pays with its own (corporate) funds. This rule applies particularly to Council maintained schools like Prince of Wales School.

7.3 Legal Implications

- 7.3.1 Section 14 of the Education Act 1996 requires that an authority ensures that sufficient school places are available within its area for children of compulsory school age. Case law upon this statutory duty confirms that compliance with the duty requires an education authority to actively plan to remedy any shortfall. Section 19 of the Education and Inspections Act 2006 and The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 allow school governing bodies and LA's to expand an existing school following a prescribed consultation. Section 111 of the Local Government Act 1972, includes the power to do anything ancillary to, incidental to or conducive to the discharge of any of its statutory functions. The recommendations within this report are in accordance with these powers.
- 7.3.2 In accordance with the Councils Constitution, in particular Contract Procedure Rules, the Council is required to carry out a formal tender as set out in this report.
- 7.3.3 The contract for the works will be in a form approved by the Assistant Director of Legal and Governance Services.

7.4 Property Implications

- 7.4.1 The Strategy set out in this report will provide additional primary places in local areas of need.

- 7.4.2 To meet statutory requirements it is vital to ensure that the Council's financial accounts do not include buildings (or parts of buildings) that have been demolished. To ensure we have high quality records and meet our statutory obligations Education Asset Managers will complete a demolition notification form and return to Property Services. This will enable Strategic Property Services to advise Insurance, Finance (Asset Register) energy management teams and various other departments within the Council of the changes.
- 7.4.3 The use of modular construction will assist with speeding up the construction process, but requires significant investment upfront in the design process. The modular construction also significantly improves a buildings environmental performance, overall sustainability and lower operating costs to the Councils Property portfolio.
- 7.4.4 Property Services are to be sent the new data being generated for the expansion of these schools. These include floor plans with room data for the purposes of the Council's Asset Management System, Atrium.
- 7.4.5 Planning permission has been gained for the new build on 23 July 2014. Building Regulations will be adhered to as part of the infrastructure enabling and construction works. The oversight of this will fall under the Council's Contract Administrators (CA's).
- 7.4.6 Once the development is completed, Building Control will need to sign off on the completed development. All warranties and guarantees will be available in the event that building failure occurs. These guarantees will be assigned after practical completion occurs and held on behalf of the Council by Legal Services.
- 7.4.7 There should be a requirement upon the contractor at certain set dates for snagging inspections. These inspections will be organised by the Council's CA's.

8. KEY RISKS

Cross Borough Boundary Displacement

- 8.1 There is a risk that if popular and successful Enfield schools near the borders of neighbouring boroughs are expanded then this could encourage an influx of pupils from those boroughs if they have not been successful in expanding their own provision. This is mitigated by consultation with neighbouring Boroughs to manage intake where there is capacity.
- 8.2 Actual pupil numbers will be carefully monitored against projections, to ensure that the Council strives to provide places in the actual areas of demand (i.e. local places for local children). Officers will also continue to engage in regional and bilateral discussions about the provision of places to assess provision in other Boroughs.
- 8.3 Project level risks are managed through established working practices within SCS and CMCT that are based on the Council's corporate approach to project management. CMCT support the SCS project managers, with the Programme Team operating in a quality assurance capacity on project and reporting processes. The Programme Team report to the Senior Responsible Officer and Programme Executive (which functions as the SEP programme board).

Concerns about school expansions

- 8.4 Experience to date suggests that the three most significant factors likely to cause concern to some stakeholders are car parking, increased traffic flows and the exterior treatments of outward facing structures. The programme and project team members has worked closely with the school and Governing Bodies to ensure that designs are of high quality and that issues of concern are addressed in the design proposals, including traffic management once technical information is available.
- 8.5 Both the informal and statutory rounds of consultation are managed in a way that makes them accessible to stakeholders, including residents, to maximise opportunities for input.

Basic Need Funding

- 8.6 The annual submission to the Department for Education (DfE) is based on identifying existing capacity in the system. Thus, close monitoring of pupil numbers and a review of projections will ensure that the Council is best placed to maximise any Basic Need Funding for the provision of school places. It should be noted that the funding allocation methodology has not kept pace with inflation in the construction sector which makes deliver more challenging and increases the strain on Council resources.

Delivery Timescales

- 8.7 Each school year the Council has to fulfil its statutory duty to provide sufficient school places to meet demand. Programme and project milestones will be clearly identified and progress monitored closely by the Programme Team and reported to the SRO and Programme Executive. There are separate and regular briefings of the relevant lead members and the Chief Executive on progress and costs.

Costs

- 8.8 The overall programme cost and the allocations per project, once established, are included in the Council's Capital Programme with the overall total reviewed annually as part of the consideration of demand and capacity requirements with the subsequent report to Cabinet in the summer. The review includes a consideration of the known planned capacity, and increases in capacity of Academy and Free School provision; what the Council needs to deliver, progress on current schemes and how construction market inflation is likely to affect costs.
- 8.9 Costs for each established project are managed through the project and programme management governance arrangements already in place and be subject to the Council's usual due diligence and value for money tests. Changes in estimated costs, established budgets and the spend profile is managed through the Capital Programme via the quarterly Capital Monitor updates to Cabinet and Council. Value engineering exercises will be undertaken where necessary and appropriate to identify savings to the build costs.
- 8.10 Wider economic and market conditions are now a major factor in terms of contract costs which are increasing due to capacity in the construction industry to meet demand from the public sector commissioning education

projects. The construction index lags behind real market conditions suggesting further increases in costs in the short term. Statutory requirements around the provision of places and guidance around teaching space sizes limit options on reducing the quantity of provision. Reducing the quality of provision will not be able to counter balance a buoyant construction market and in addition to increasing the risk of higher maintenance costs it could have a negative impact on school Head Teachers' and Governors' willingness to support expansions in the first place. Additionally, as important stakeholders, they may even form a negative view of the Council.

9. IMPACT ON COUNCIL PRIORITIES

9.1 Fairness for All

9.1.1 This proposal will result in pupil places being created across the Borough in order to meet demand in the relevant geographical areas which will also create employment opportunities for teaching and support staff. Further improvement and investment in school buildings will provide greater opportunities for enhanced community use.

9.2 Growth and Sustainability

9.2.1 By ensuring that places are provided in areas of highest demand, this will ensure that pupil mobility across the Borough is kept to a minimum. This therefore means that increased road travel is minimised and families can be encouraged to walk to school.

9.3 Strong Communities

9.3.1 The proposals outlined in this report will provide additional places in parts of the Borough where pressure on local schools is forecast to be greatest. The extra places provided in the neighbourhoods of highest demand will help satisfy demand in these specific areas and will ensure that young children will not have to travel unmanageable distances to and from school.

9.3.2 The proposals in this Strategy will allow the Authority to have greater control over the provision (and potential future reduction) of pupil places, allowing more opportunities to stabilise local communities and ensure that there are local places for local children.

10. EQUALITIES IMPACT IMPLICATIONS

10.1 An equality impact assessment was completed for approval of the strategy in June 2012 and for PEP2 in December 2013. The strategy was developed to ensure that there are sufficient places across the Borough to meet demand, that these places are not discriminatory and to ensure that all children have access to high quality education. In accordance with the publication of statutory notices, it will be necessary to complete full consultation with residents and parents where there is a proposal to permanently expand a school.

11. PERFORMANCE MANAGEMENT IMPLICATIONS

11.1 The provision of additional places at the schools identified in this report will enable the Authority to meet its statutory duty to ensure the availability of sufficient pupil places to meet demand.

11.2 The strategy presented in this report is consistent with the national agenda for expanding popular and successful schools.

12. HEALTH AND SAFETY IMPLICATIONS

- 12.1 As all of the SEP projects will involve contractors working on existing school sites, the Council will ensure that contractors provide the highest level of Health and Safety on site.
- 12.2 There are no specific health and safety implications other than the impact of additional traffic, generated by increased numbers at the SEP schools. Working with Highways, funding has been included in the cost summary to allow for traffic mitigation measures on each of the schemes. As part of the planning approvals process, traffic impact assessments have to be submitted for each scheme, and the Planning committee will have to give approval.

13. PUBLIC HEALTH IMPLICATIONS

- 13.1 Providing primary school places in the areas where there is demand will encourage parents and carers to walk to school. This will impact on the health and well-being of the public in Enfield. Walking to school will encourage healthy lifestyles, and reduce pollution caused by traffic.

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Contact Officer:

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Agenda – Part:1	Item:
Subject: Award of contracts to deliver works to enable the provision of extra pupil places - Bowes Edmonton Phase 1b	
Wards: Jubilee	
Cabinet Members consulted: Cllr A Orhan, Cllr A Stafford	

1. EXECUTIVE SUMMARY

- 1.1 This report covers the next decision to implement the Strategy agreed in the Cabinet Reports of June 2013 and July 2014. Expenditure is required to cover design, Infrastructure works, supply of modular building units and other associated costs.
- 1.2 In line with Contract Procedure Rules and decisions on the School Expansion Programme Procurement Strategy made by the Council's Strategic Procurement Board in November and December 2013, the Crown Commercial Service (CCS) framework and Constructionline accredited list have been used to procure the identified contractors for modular building supply and for infrastructure works respectively.
- 1.3 Portfolio Holders' approval is sought for contract award and scheme expenditure including pre-construction services, infrastructure works, supply of the modular building and other associated orders. This approval is required to enable works to maintain progress and deliver extra building capacity by September 2015 to support the provision of additional pupil places.
- 1.4 The scheme expenditure has been determined from tender returns and remains within previous cost estimates. Individual project costs and any required changes will be managed and reported through the quarterly SCS Capital Monitor updates to the Capital Programme.

2. RECOMMENDATIONS

That the Cabinet member for Education, Children's Services and Protection and the Cabinet Member for Finance approve the following:

- 2.1 Contract Award of the Modular Building Supply by accepting the tender of Extraspace Solution (UK) Ltd in the sum of £513,200 plus additional costs totalling £10,200 that were excluded from the tender giving a total of £523,400;
- 2.2 Contract Award of the Infrastructure Works by accepting the tender of Kirkman & Jourdain Ltd in the sum of £172,600 plus additional costs totalling £76,600 that were excluded from the tender giving a total of £249,200;
- 2.3 Total Scheme expenditure of £1,624,400 including the above plus £851,800 to cover client side costs, professional and technical fees, Furniture and Equipment, Information and Communication infrastructure, traffic mitigation and project contingency; and
- 2.4 That the Director of Schools and Children's Services allocates project contingency, via operational decisions, where required.

3. BACKGROUND

- 3.1 Enfield's population is projected to continue to rise and there is an increasing proportion of young people. This reflects changing patterns of migration, birth rates, comparative rents, the implications of housing benefits reform (displacement from Inner London) and numerous other factors. Each year the projected demand for school places, the existing capacity, progress on increasing capacity are reviewed and a report to Cabinet produced in the summer about the activity required to continue to meet the statutory responsibility to provide enough places to meet demand.
- 3.2 On 20th June 2012, Cabinet approved a revised Primary Strategy that will provide further additional school places from September 2013. This was subsequently updated in June 2013 and July 2014 with further details and requirements and formalised the School Expansion Programme (SEP) as the operational vehicle to deliver any additional school capacity required in a phased way.
- 3.3 The project at Bowes Edmonton has been developed to provide the accommodation required by the School to permanently expand from 4 classes to 1FE. The new build project received planning consent in July 2014 and construction works are now required to deliver the project. Contracts need to be in place by 9 February 2015 to maintain progress against a challenging programme.

4. PROCUREMENT

- 4.1 In November 2013, Council's Strategic Procurement Board (SPB) agreed that construction procurement for the buildings would be via the Framework route from the current shortlist of:

- Government Procurement Service (GPS) - Modular Buildings (now Crown Commercial Service – CCS)
- Improvement and Efficiency Social Enterprise (IESE)
- London Housing Consortium (LHC)
- SMART East
- Scape

4.2 SPB approved the recommendation that the SEP projects would be procured using the most appropriate Framework route. The final procurement decision would be delegated to the Senior Responsible Officer (the Director of Schools and Children's Services) in consultation with the School Expansion Programme Executive. The Crown Commercial Service (CCS) replaced the Government Procurement Service (GPS) but the RM875 framework for Modular Buildings remained unchanged.

4.3 **The Modular Building Supply Package**

4.4 Six companies were invited to tender from the Crown Commercial Service (CCS) Framework for Modular Building Systems Framework. Only one submitted a tender return which is a reflection of the current market conditions in construction. Many local authorities in London and England are seeking to deliver school expansion schemes, the construction sector has begun to over-heat with associated issues of lack of capacity in the sector, rising costs and resultant increases in tender prices. Enquiries were made with the other five companies that declined to tender.

4.5 The tender submission has been assessed in accordance with the requirements of the framework. On this basis, the preferred tenderer was recommended for acceptance having submitted a compliant tender and is considered to represent good value in the current market. A detailed tender report for this package is included with the Part 2 Report.

4.6 There are no expected savings from traditional build and a retender for traditional construction may not have received a different result and would delay delivery of the works considerably, creating other associated risks and leading to the Council not being able to meet its statutory duty to provide school places.

4.7 As a minimum, three tenders returned are required by Contract Procedure Rule 5.2 Tendering Requirements and only one tender was received. The Council has tested the market but got only one response (due to ongoing capacity issues within the construction sector). A retender may not have received a different result and would delay delivery of the works, leading to the Council not being able to meet its statutory duty to provide school places. Corporate procurement has advised a waiver is not required as the tender complies with the call off processes under the CCS framework.

4.8 **The infrastructure works package**

4.9 Five companies were shortlisted to submit a competitive tender from the Constructionline accredited list. Tenders from three contractors were received, a further tender was submitted late and one declined to tender.

- 4.10 The three submissions have been assessed in accordance with the requirements of the invitation to tender. On this basis, the lowest tenderer was recommended for acceptance having submitted the tender with the most competitive cost and one that meets our requirements in terms of timetable and specification and is considered to represent good value in the current market. A detailed tender report for this package is included with the Part 2 Report.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 5.1 Enfield Council has a statutory responsibility to provide enough school places to meet demand the necessary school places. The SEP has been established to revised strategy to provide the additional capacity and expertise to setup and deliver a number of construction projections in a timely fashion and to provide best value ensure that this programme is delivered on time and providing best value for the Council in the face of challenging delivery timescales. Not providing places cannot be considered an option.

- 5.2 The following proposals have been considered but rejected:

- Increasing class sizes to over 30 pupils. Current legislation stipulates that Key Stage 1 classes cannot exceed 30 pupils with only one qualified teacher. This does not apply to Key Stage 2. However, school accommodation does not normally allow for more than 30 pupils in one class base.
- The use of community halls as emergency class bases. This option has been explored with a number of head teachers in relation to the development of the Partner School initiative. However, the revised strategy seeks to deliver a programme of permanent expansions with partner school only serving as temporary measures whilst permanent capacity is being planned and delivered.
- Not entering into contract for either of the works packages. This option has been discounted as the extra building capacity is required at Bowes Edmonton school for September 2015 and the delay in re-tendering would make that impossible to achieve.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The Council has an overriding statutory duty to provide sufficient pupil places to meet anticipated demand. The strategy will deliver the additional places required in the areas of the highest demand over the short term, up to 2018. The expanded capacity aims to provide a higher level of flexibility built in to counter sudden increases in demand and provide an element of parental choice.
- 6.2 Evaluation of the tender returns and subsequent discussions with the contractors have reached a stage where we can enter into contract. The tender returns and scheme costs have been reviewed by the Council's Corporate Maintenance and Construction Team and recommended as representing good value given current market conditions. The tender reports are included in the Part 2 version of this report.

7. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

7.1 Financial Implications

7.1.1

SCHEME	Actual 12/13 & 13/14	14/15	15/16	Total
	£000's	£000's	£000's	£000's
Bowes Edmonton	25	815	784	1,624

The proposed expenditure for this scheme is in line with the provision currently included in the SCS approved capital programme.

7.1.2 The proposed expenditure will be funded as per the table below:

	Bowes Edmonton £000's
Expenditure Funded By:-	
Government Capital Grants	
- Targeted Basic Need	872
- Basic Need	752
Total	1,624

The Targeted Basic Need grant conditions require the £872k to be spent by the end of August 2015 and this should be achievable.

7.2 VAT Implications

The supply of statutory education by the Council is deemed to be a non-business for VAT; therefore the council is able to recover VAT incurred towards this supply under the provisions of S33 of VAT Act 1994 if it procures/contracts for the works, receives the supply, receives a VAT invoice in its name and pays with its own (corporate) funds. This rule applies particularly to Council maintained schools like Bowes Edmonton School.

7.3 Legal Implications

7.3.1 Section 14 of the Education Act 1996 requires that an authority ensures that sufficient school places are available within its area for children of compulsory school age. Case law upon this statutory duty confirms that compliance with the duty requires an education authority to actively plan to remedy any shortfall. Section 19 of the Education and Inspections Act 2006 and The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 allow school governing bodies and LA's to expand an existing school following a prescribed consultation. Section 111 of the Local Government Act 1972, includes the power to do anything ancillary to, incidental to or conducive to the discharge of any of its statutory functions. The recommendations within this report are in accordance with these powers.

7.3.2 In accordance with the Councils Constitution, the Council is able to utilise Constructionline and to utilise frameworks such as the Crown Commercial

Service (CCS) Framework for Modular Building Systems RM875. The Council must ensure compliance with the framework terms.

- 7.3.3 Contracts for the works/services/supplies to the school will need to be in a form as set out under the CCS Framework, which need to be in a form approved by the Assistant Director of Legal and Governance Services or where the procurement is via Constructionline in an industry standard form approved by the Assistant Director of Legal and Governance Services.

7.4 Property Implications

- 7.4.1 The Strategy set out in this report will provide additional primary places in local areas of need.
- 7.4.2 To meet statutory requirements it is vital to ensure that the Council's financial accounts do not include buildings (or parts of buildings) that have been demolished. To ensure we have high quality records and meet our statutory obligations Education Asset Managers will complete a demolition notification form and return to Property Services. This will enable Strategic Property Services to advise Insurance, Finance (Asset Register) energy management teams and various other departments within the Council of the changes.
- 7.4.3 The use of modular construction will assist with speeding up the construction process, but requires significant investment upfront in the design process. The modular construction also significantly improves a buildings environmental performance, overall sustainability and lower operating costs to the Councils Property portfolio.
- 7.4.4 Property Services are to be sent the new data being generated for the expansion of these schools. These include floor plans with room data for the purposes of the Council's Asset Management System, Atrium.
- 7.4.5 Planning permission has been gained for the new build on 23 July 2014. Building Regulations will be adhered to as part of the infrastructure enabling and construction works. The oversight of this will fall under the Council's Contract Administrators (CA's).
- 7.4.6 Once the development is completed, Building Control will need to sign off on the completed development. All warranties and guarantees will be available in the event that building failure occurs. These guarantees will be assigned after practical completion occurs and held on behalf of the Council by Legal Services.
- 7.4.7 There should be a requirement upon the contractor at certain set dates for snagging inspections. These inspections will be organised by the Council's CA's.

8. KEY RISKS

Cross Borough Boundary Displacement

- 8.1 There is a risk that if popular and successful Enfield schools near the borders of neighbouring boroughs are expanded then this could encourage an influx of pupils from those boroughs if they have not been successful in expanding their own provision. This is mitigated by consultation with neighbouring Boroughs to manage intake where there is capacity.
- 8.2 Actual pupil numbers will be carefully monitored against projections, to ensure that the Council strives to provide places in the actual areas of demand (i.e.

local places for local children). Officers will also continue to engage in regional and bilateral discussions about the provision of places to assess provision in other Boroughs.

- 8.3 Project level risks are managed through established working practices within SCS and CMCT that are based on the Council's corporate approach to project management. CMCT support the SCS project managers with the Programme Team operating in a quality assurance capacity on project and reporting processes. The Programme Team report to as Client Advisor to CMCT to report to the Senior Responsible Officer and Programme Executive (which functions as the SEP programme board).

Concerns about school expansions

- 8.4 Experience to date suggests that the three most significant factors likely to cause concern to some stakeholders are car parking, increased traffic flows and the exterior treatments of outward facing structures. The programme and project team members has worked closely with the school and Governing Bodies to ensure that designs are of high quality and that issues of concern are addressed in the design proposals, including traffic management once technical information is available.
- 8.5 Both the informal and statutory rounds of consultation are managed in a way that makes them accessible to stakeholders, including residents, to maximise opportunities for input.

Basic Need Funding

- 8.6 The annual submission to the Department for Education (DfE) is based on identifying existing capacity in the system. Thus, close monitoring of pupil numbers and a review of projections will ensure that the Council is best placed to maximise any Basic Need Funding for the provision of school places. It should be noted that the funding allocation methodology has not kept pace with inflation in the construction sector which makes delivery more challenging and increases the strain on Council resources.

Delivery Timescales

- 8.7 Each school year the Council has to fulfil its statutory duty to provide sufficient school places to meet demand. Programme and project milestones will be clearly identified and progress monitored closely by the Programme Team and reported to the SRO and Programme Executive. There are separate and regular briefings of the relevant lead members and the Chief Executive on progress and costs.

Costs

- 8.8 The overall programme cost and the allocations per project, once established, are included in the Council's Capital Programme with the overall total reviewed annually as part of the consideration of demand and capacity requirements with the subsequent report to Cabinet in the summer. The review includes a consideration of the known planned capacity, and increases in capacity of Academy and Free School provision; what the Council needs to deliver, progress on current schemes and how construction market inflation is likely to affect.
- 8.9 Costs for each established project are managed through the project and programme management governance arrangements already in place and be subject to the Council's usual due diligence and value for money tests.

Changes in estimated costs, established budgets and the spend profile is managed through the Capital Programme via the quarterly Capital Monitor updates to Cabinet and Council. Value engineering exercises will be undertaken where necessary and appropriate to identify savings to the build costs.

- 8.10 Wider economic and market conditions are now a major factor in terms of contract costs which are increasing due to capacity in the construction industry to meet demand from the public sector commissioning education projects. The construction index lags behind real market conditions suggesting further increases in costs in the short term. Statutory requirements around the provision of places and guidance around teaching space sizes limit options on reducing the quantity of provision. Reducing the quality of provision will not be able to counter balance a buoyant construction market and in addition to increasing the risk of higher maintenance costs it could have a negative impact on school Head Teachers' and Governors' willingness to support expansions in the first place. Additionally, as important stakeholders, they may even form a negative view of the Council.

9. IMPACT ON COUNCIL PRIORITIES

9.1 Fairness for All

- 9.1.1 This proposal will result in pupil places being created across the Borough in order to meet demand in the relevant geographical areas which will also create employment opportunities for teaching and support staff. Further improvement and investment in school buildings will provide greater opportunities for enhanced community use.

9.2 Growth and Sustainability

- 9.2.1 By ensuring that places are provided in areas of highest demand, this will ensure that pupil mobility across the Borough is kept to a minimum. This therefore means that increased road travel is minimised and families can be encouraged to walk to school.

9.3 Strong Communities

- 9.3.1 The proposals outlined in this report will provide additional places in parts of the Borough where pressure on local schools is forecast to be greatest. The extra places provided in the neighbourhoods of highest demand will help satisfy demand in these specific areas and will ensure that young children will not have to travel unmanageable distances to and from school.
- 9.3.2 The proposals in this Strategy will allow the Authority to have greater control over the provision (and potential future reduction) of pupil places, allowing more opportunities to stabilise local communities and ensure that there are local places for local children.

10. EQUALITIES IMPACT IMPLICATIONS

- 10.1 An equality impact assessment was completed for approval of the strategy in June 2012 and for PEP2 in December 2013. The strategy was developed to ensure that there are sufficient places across the Borough to meet demand, that these places are not discriminatory and to ensure that all children have access to high quality education. In accordance with the publication of statutory notices, it will be necessary to complete full consultation with residents and parents where there is a proposal to permanently expand a school.

11. PERFORMANCE MANAGEMENT IMPLICATIONS

- 11.1 The provision of additional places at the schools identified in this report will enable the Authority to meet its statutory duty to ensure the availability of sufficient pupil places to meet demand.
- 11.2 The strategy presented in this report is consistent with the national agenda for expanding popular and successful schools.

12. HEALTH AND SAFETY IMPLICATIONS

- 12.1 As all of the SEP projects will involve contractors working on existing school sites, the Council will ensure that contractors provide the highest level of Health and Safety on site.
- 12.2 There are no specific health and safety implications other than the impact of additional traffic, generated by increased numbers at the SEP schools. Working with Highways, funding has been included in the cost summary to allow for traffic mitigation measures on each of the schemes. As part of the planning approvals process, traffic impact assessments have to be submitted for each scheme, and the Planning committee will have to give approval.

13. PUBLIC HEALTH IMPLICATIONS

- 13.1 Providing primary school places in the areas where there is demand will encourage parents and carers to walk to school. This will impact on the health and well-being of the public in Enfield. Walking to school will encourage healthy lifestyles, and reduce pollution caused by traffic.

MUNICIPAL YEAR 2014/2015 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:

Director – Regeneration and
Environment

Agenda – Part: 1	KD Num: 3985
Subject: Provision of Sacks for Waste, Parks and Street Scenes	
Wards:	All

Contact officer and telephone number:

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1. EXECUTIVE SUMMARY

- 1.1 Sacks for Waste, Parks and Street Scenes for commercial, domestic and street cleansing use have been historically purchased by each individual team on an adhoc basis or a long term agreement.
- 1.2 Following a competitive tender using the ESPO Framework 860 a contract needs to be awarded to a supplier to demonstrate consistency of application, certainty of terms, probity and value for money.

2. RECOMMENDATIONS

- 2.1 To award a contract to Company A for domestic sacks commencing from January 2015 for an initial two year term with the potential of two further one year fixed term extensions.
- 2.2 To award a contract to Company B for the supply of sacks for the Waste, Parks and Street Scenes teams for commercial and street cleansing use commencing from January 2015 for an initial two year term with the potential of two further one year fixed term extensions.

- 3.1 The Council has a continuing requirement to provide sacks for the collection of domestic and commercial waste and for street cleansing within the borough at an estimated annual value of £107,500.
- 3.2 Previous purchases were placed on an ad-hoc basis or as more recently with one-off tenders pending the selection of a provider following a competitive tender.
- 3.3 In August 2014 seven suppliers were invited to competitively quote using the ESPO 860 Framework Agreement.
- 3.4 Out of the seven suppliers invited, two suppliers submitted a quote.
- 3.5 An evaluation panel, comprising of senior officers from Public Realm and the Regeneration and Environment Department, assessed the quotations against the published evaluation criteria of cost 60% and quality 40%.
- 3.6 The panel recommends the Council award the contract to Company A for the domestic sacks and Company B for all of the other sacks for an initial two year term with the potential of two further one year fixed term extensions. This decision is based on the combined results of the evaluation scores for both cost and quality.
- 3.7 The proposed contract supports the Council's Environmental Policy to provide a waste service to residents and businesses in the borough.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The alternative options to obtaining competitive quotations for the provision of sacks are:
- 4.2 Continue to order sacks on an adhoc basis, however, the Council would not be able to demonstrate consistency of application, certainty of terms, probity or value for money in compliance with the Corporate Procedure Rules. It will also be difficult to monitor and manage spend.
- 4.3 To no longer provide sacks for domestic and commercial use. The Council would have to provide other solutions for properties on the sacks service and commercial enterprises within the borough. If implemented the Council would lose the commercial waste income and cause detriment to the borough street scene.

5. REASONS FOR RECOMMENDATIONS

To ensure compliance with the Contract Procurement Rules and improve the sack service provision and maximising value for money.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 The estimated expenditure per year based on the proposed bidders prices is £102k per year. This will be managed within the services existing resources across the Waste collection, street cleaning and Parks Service.
- 6.1.2 The current expenditure on sacks across these services is approximately £115k. Therefore, the proposed expenditure will result in a saving of approximately £13k per year. Budgets for sacks purchase will be amended in line with the proposed costs.

6.2 Legal Implications

- 6.2.1 Section 111 of the Local Government Act 1972 permits the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. The provision of waste sacks is incidental to the functions of the Council to comply with its statutory obligations under the Environmental Protection Act 1990.
- 6.2.2 The Councils Constitution, in particular Contract Procedure Rules permit the Council to utilise existing framework agreements, in accordance with the framework terms and such complies with EU procurement requirements.
- 6.2.3 The contract will need to be in a form as set out under the framework in a form approved by the Assistant Director of Legal and Governance Services.

6.3 Property Implications

None.

7. KEY RISKS

- 7.1 The contract should not only improve efficiencies and value for money but also minimise procurement risk to the Council.
- 7.2 Any risk in relation to one of the suppliers not being able to meet the requirement is minimised as there are several other providers of sacks on the market.
- 7.3 The call-off arrangement for orders limits financial and service risk to the delivery and payment of the last order.

- 7.4 The contract procurement was an open competition, transparent and without discrimination. A full audit trail of the procurement process has been recorded.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The sacks are available for all eligible residents and businesses at full economical cost.

8.2 Growth and Sustainability

The contract will enable the Council to implement an improved waste management policy to specific domestic and commercial users.

8.3 Strong Communities

Cleaner estates, better overall environment.

9. EQUALITY IMPACT IMPLICATIONS

- 9.1 Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment/analysis is neither relevant nor proportionate for the approval of this report.

- 9.2 The contract will be managed in line with the ESPO 860 Framework Agreement Terms and Conditions.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

We will be measuring delivery, cost and technical specification with regular meetings and with reference to the contract document.

11. HEALTH AND SAFETY IMPLICATIONS

None.

12. PUBLIC HEALTH IMPLICATIONS

None.

Background Papers

None.

MUNICIPAL YEAR 2014/2015 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:
Director – Regeneration
and Environment

Agenda – Part: 1	KD Num: 3986
Subject: Provision of Metal Bulk Waste Bins for Commercial and Domestic Use	
Wards: All	

Contact officer and telephone number:

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1. EXECUTIVE SUMMARY

- 1.1 The sector for metal bulk waste bins for commercial and domestic use has now matured with more providers capable of supplying the range of bulk waste bins required. This has created an opportunity for the Council to move away from adhoc purchasing to a competitively tendered term contract;
- 1.2 Following a competitive tender, using the ESPO Framework 860, a contract needs to be awarded to a supplier to demonstrate consistency of application, certainty of terms, probity and value for money.

2. RECOMMENDATIONS

To award the contract to Company B for the supply of metal bulk waste bins for commercial and domestic use commencing from December 2014 for an initial two year term with the potential of two further one year fixed term extensions.

3. BACKGROUND

- 3.1 The Council has a continuing requirement to provide metal bulk bins for the collection of domestic and commercial waste within the borough at an estimated annual value of £145k based on 2013-14 expenditure.
- 3.2 The sector for metal bulk waste bins for commercial and domestic use has now matured with more providers capable of supplying the range of bulk waste bins the required. This has created an opportunity for the Council to move away from adhoc purchasing to a competitively tendered term contract;
- 3.3 In August 2014 four suppliers were invited to competitively quote for six Lots using the ESPO 860 Framework Agreement (Contract Notice 2013/S 196-338189).
- 3.4 The Lots were for the following metal waste bin sizes:
 - Lot 1: All
 - Lot 2: 660 litres
 - Lot 3: 720 litres
 - Lot 4: 940 litres
 - Lot 5: 1100 litres
 - Lot 6: 1280 litres
- 3.5 Out of the four suppliers invited the Council received a quotation each from two companies.
- 3.6 Company A quoted for only the 1100 litre bin size. Company B quoted for all bin sizes.
- 3.7 An evaluation panel comprising of senior officers from Public Realm and Regeneration and the Environment Department assessed the quotations against the published evaluation criteria of cost 35% and quality 65%.
- 3.8 Of the competitive quotations received for the 1100 litre waste bin, Company A, although cheaper, had poorer quality bins than Company B. Company B demonstrated best value for money compared to Company A.
- 3.9 The panel recommends the Council award the contract to Company B. Ltd for all of the metal waste bins for an initial two year term with the potential of two further one year fixed term extensions.
- 3.10 The proposed contract supports the Council's Environmental Policy to provide a waste service to residents and businesses in the borough.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The alternative options to obtaining competitive quotations for the provision of metal waste bins are:
- 4.2 Continue to order bins on an adhoc, however, the Council would not be able to demonstrate consistency of application, certainty of terms, probity or value for money in compliance with the Corporate Procedure Rules. It will also be difficult to monitor and manage spend.
- 4.3 To no longer provide metal waste bins. The Council would have to provide other solutions for housing estates and commercial enterprises within the borough. If implemented the Council would lose the commercial waste income and cause detriment to the borough street scene.

5. REASONS FOR RECOMMENDATIONS

To ensure compliance with the Contract Procurement Rules and improving the service provision of metal waste bins and maximising value for money.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS

6.1 Financial Implications

The estimated spend on metal bins over the two years of the contract based on the proposed prices is £289k, however this may fluctuate dependent on service requirements. The proposed cost will be managed within existing service resources. This includes recovering the cost where possible through fees and charges e.g. commercial waste services.

6.2 Legal Implications

- 6.2.1 Section 111 of the Local Government Act 1972 permits the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. The provision of metal bulk bins is incidental to the functions of the Council to comply with its statutory obligations under the Environmental Protection Act 1990.
- 6.2.2 The Councils Constitution, in particular Contract Procedure Rules permit the Council to utilise existing framework agreements, in accordance with the framework terms and such complies with EU procurement requirements.

- 6.2.3 The contract will need to be in a form as set out under the framework in a form approved by the Assistant Director of Legal and Governance Services.

6.3 Property Implications

None.

7. KEY RISKS

- 7.1 The contract should not only improve efficiencies and value for money but also minimise procurement risk to the Council.
- 7.2 There is a delivery risk in relation to one supplier providing all bins however in the event of contract termination there are several other providers of metal bins on the market.
- 7.3 The call-off arrangement for orders limits financial and service risk to the delivery and payment of the last order.
- 7.4 The contract procurement was an open competition, transparent and without discrimination. A full audit trail of the procurement has been recorded.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The metal waste bins are available for all eligible residents and businesses at full economical cost.

8.2 Growth and Sustainability

The contract will enable the Council to implement an improved waste management policy to specific domestic and commercial users.

8.3 Strong Communities

Cleaner estates, better overall environment.

9 EQUALITY IMPACT IMPLICATIONS

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment/analysis is neither relevant nor proportionate for the award of a contract. The contract will be managed in line with the ESPO 860 Framework Agreement Terms and Conditions.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

We will be measuring delivery, cost and technical specification with regular meetings and with reference to the contract document.

11. HEALTH AND SAFETY IMPLICATIONS

None.

12. PUBLIC HEALTH IMPLICATIONS

None.

Background Papers

None.

MUNICIPAL YEAR 2014/2015 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:

Director – Regeneration
and Environment

Agenda – Part: 1

KD Num: 4024

Subject:

**Access to LB Ealing's Framework
Contract for the Provision of Highways
and Transport Services**

Wards: All

Contact officer and telephone number:

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1. EXECUTIVE SUMMARY

The report seeks authority to enter into an access agreement with Ealing Council to use the Ealing framework contract for the provision of highways and transport services.

2. RECOMMENDATIONS

- 2.1 That the Council enters into an access agreement with Ealing Council to use Ealing's framework contract for engineering consultancy services as set out in this report.
- 2.2 That the Council calls-off from the London Borough of Ealing's framework contract for the provision of highways and transport services under lot 3 as required to support the delivery of its programme of traffic and transport schemes, up to a value of no more than £300,000 per year until the contract expires in May 2016.
- 2.3 That the Council may use lot 1 (bridge inspections) and lot 2 (condition surveys) as and when appropriate, up to a maximum value of £60,000 for each lot.
- 2.4 That authority to enter into individual call-off contracts is delegated to the Head of Traffic and Transportation and Head of Highway Services.

3. BACKGROUND

3.1 Ealing Council have a framework contract for engineering consultancy services which is available for other boroughs to use. This covers the following areas:

- Lot 1 - Bridge Inspections
- Lot 2 - Condition Surveys
- Lot 3 - General Engineering

3.2 The framework contract runs until May 2016 and Lot 3, in particular, would provide the council with greater flexibility to ensure the cost-effective delivery of its programme of traffic schemes. Lot 3 (General Engineering) covers a range of services, including:

- Accident and other studies
- Traffic management
- Road safety engineering and audit
- Traffic order making
- Highways engineering
- Structural / civil engineering
- Asset management
- Transport planning
- Urban design / public realm
- CDM coordination
- Health and safety advice

3.3 In the development of the framework contract, LB Ealing set up an access agreement for other local authorities to use, using standard terms and conditions.

3.4 The contract was let following the completion of a tender that complied with the relevant European procurement regulations. This resulted in the appointment of the following consultants:

Lot 1 – Parsons Brinckerhoff Ltd

Lot 2 – Appia Infrastructure Solutions

Lot 3 - **Project Centre Ltd** as the highest-ranked consultant

Parsons Brinckerhoff Ltd as the second-highest ranked consultant

JMP Consultants Ltd as the third-highest ranked consultant

- 3.5 It is recommended that the council enters into an access agreement with Ealing Council so that it can commission work utilising Ealing Council's framework contract.
- 3.6 The terms and conditions will be those of the NEC3 Professional Services Contract 2005 and NEC3 Framework Contract 2005, as amended by Additional Conditions of Contract (Option Z clauses).
- 3.7 In many cases it is likely that tasks will be commissioned following a mini-competition to ensure best value. However, there is also provision to directly appoint the highest ranked consultant (Project Centre Ltd), who must provide their services at the quality and price originally set out in their tender submissions for the Framework Agreement. If the 'Preferred Consultant' is unable to provide their services, the contracting authority shall select the next highest ranked consultant from Lot 3.
- 3.8 Where the value of the call-off contract is reasonably estimated to be less than £25,000 Ealing Council have resolved to make a direct award to the 'Preferred Consultant' on the Framework Agreement based on their evaluation scores during the tender procedure. It is recommended that Enfield also follows this approach.
- 3.9 When conducting a mini-competition the following must be followed:
- All consultants capable of providing the services will be notified of the proposed mini-competition and invited to express an interest. Details of the services required and the award criteria will be sent to all interested eligible consultants.
 - The mini-competition award criteria will be the same as the Framework Agreement award criteria (60% price and 40% quality), but with additional requirements incorporated and the weightings adjusted as appropriate to meet the contracting authority's specific requirements.
 - Sufficient time will be given to the consultants for the return of mini-competition tenders, and this may vary from project to project.
 - The mini-competition tenders will be evaluated and scored in accordance with the issued mini-competition award criteria. When evaluating the prices submitted, the contracting authority will, at their sole discretion, either hold the consultants to their original Framework prices or accept their revised bids depending on which represents the most economically advantageous offer to the contracting authority.
 - Prices will be held for the duration of any contract awarded following a mini-competition exercise.

- The highest scoring consultant in the mini-competition will be awarded the contract.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The council can commission consultancy services from Ringway Jacobs via the London Highway Alliance Contract (LoHAC). LoHAC is already being used to help with the delivery of the Cycle Enfield project. However, there is some concern about becoming dependent on a single contractor and this option is not recommended.
- 4.2 TfL's Engineering and Project Management Framework (EPMF) is available for borough's to use to commission a range of consultancy support. However, there are typically 10-12 consultants on each lot and the Framework requires that each be invited to bid. Whilst TfL's EPMF may be suitable for major projects, it is not an efficient way to procure the type of smaller scale commissions needed to support the delivery of routine traffic and transport schemes.
- 4.3 The council could also consider letting its own framework contract. However, this is not recommended due to significant cost associated with tendering, particular given that an alternative framework is already available.
- 4.4 Consultancy support can also be procured using the London Tenders Portal on an individual basis. Whilst this option may still be used from time to time, a framework will normally provide a quicker means of procurement. The competitive rates within the framework also help to ensure value for money.

5. REASONS FOR RECOMMENDATIONS

Use of Ealing's framework contract will provide another option for the council in the commissioning of consultancy services to help deliver its programme of works. This will avoid a dependency on LoHAC and ensure that consultants can be appointed both efficiently and cost effectively.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 It is envisaged that the framework will mainly be used to assist with the delivery of the annual Local Implementation Plan Programme funded by Transport for London (TfL). The value of work commissioned via the framework contract is estimated to be up to £300,000 per annum, which will be met from the Corridors, Neighbourhoods and Supporting

Measure allocation, which amounts to £2.996m in 2014/15. A similar level of funding (£2.969m) is anticipated in 2015/16.

- 6.1.2 The average total spend from 2010/11 to 2013/14 on the types of works that would be affected by this report (Lot 3 - General Engineering, paragraph 3.2 and 3.4) was approximately £291,000 per Annum, which slightly lower than the estimated cost of this contract.
- 6.1.3 Expenditure once approved by Transport For London; it will be fully funded by means of direct grant from TFL; governed through the TFL Borough Portal, hence no costs fall on the Council. The release of funds by TFL is based on a process that records the progress of works against approved spending profiles. TFL makes payments against certified claims as soon as expenditure is incurred; ensuring that the Council benefits from prompt reimbursement of any expenditure.
- 6.1.4 LIP financial assistance is provided by TFL under Section 159 of the GLA Act 1999. The funding is provided to support local transport improvements that accord with the Mayor's Transport Strategy Goals and Outcomes.
- 6.1.5 Use of the funding for purposes other than those for which it is provided may result in TFL requiring repayment of any funding already provided and/or withholding provision of further funding. TFL also retains the right to carry out random or specific audits in respect of the financial assistance provided.

6.2 Corporate Procurement

Corporate Procurement has reviewed the framework contract and confirmed that confirmed that it is suitable for use by the council.

6.3 Legal Implications

- 6.3.1 The Council has the general power of competence under section 1(1) of the localism Act 2011 to do anything that individuals generally may generally do provided it is not prohibited by legislation. There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way.
- 6.3.2 The Council must comply with its obligations with regards to obtaining best value under the Local Government (Best Value Principles) Act 1999.
- 6.3.3 The Council is permitted to call-off into Framework Agreements. In doing so the Council must comply with the terms of that Framework.

6.3.4 The Council must comply with its contract procedure rules (CPR). The Council is permitted to waive the CPR.

6.3.5 The matters described in this report trigger the Key Decision procedure. The Council must comply with the Key Decision procedure.

6.3.6 All legal agreements arising from the matters described in this report must be approved by the Assistant Director of Legal Services.

6.4 Property Implications

The report raises no property implications

7. KEY RISKS

The Ealing framework contract was awarded following an EU compliant tendering exercise and the risk of challenge is therefore minimal.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The report recommendations are likely to have a neutral impact on this priority

8.2 Growth and Sustainability

Use of the framework contract will provide additional resilience for the Traffic and Transportation Service and will help it deliver its programme of works, much of which is concerned with supporting growth and promoting sustainable means of transport.

8.3 Strong Communities

The report recommendations are likely to have a neutral impact on this priority

9. EQUALITY IMPACT IMPLICATIONS

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment/analysis is neither relevant nor proportionate for the approval of this report

10. PERFORMANCE MANAGEMENT IMPLICATIONS

Use of the framework contract will help the council meet a number of the Council's aims by supporting its programme of works relating to improved pedestrian and cycle facilities (Aim 2.5) and improved road safety (Aim 2.6).

11. HEALTH AND SAFETY IMPLICATIONS

The report recommendation raises no specific health and safety implications

12. PUBLIC HEALTH IMPLICATIONS

Use of the framework will provide greater capacity and enable the council to deliver its programme of active travel initiatives aimed at improving public health.

Background Papers

None.

